

FILED

11 FEB 17 AM 11:50

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY: \_\_\_\_\_

COPY

1 ANDRÉ BIROTTE JR.  
United States Attorney  
2 SANDRA B. BROWN  
Assistant United States Attorney  
3 Chief, Tax Division  
THOMAS D. COKER [SBN 136820]  
4 Assistant United States Attorney  
Room 7211 Federal Building  
5 300 North Los Angeles Street  
Los Angeles, California 90012  
6 Telephone: (213) 894-2454  
Facsimile: (213) 894-0115

7 Attorneys for United States of America

8 UNITED STATES DISTRICT COURT  
9  
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 MARTHA A. VELARDE, dba MAV  
16 SERVICE,

17 Defendant.  
18  
19

No. CV 11-11111  
CV11 01458  
COMPLAINT FOR PERMANENT  
INJUNCTION AGAINST THE  
PREPARATION OF TAX RETURNS AND  
OTHER EQUITABLE RELIEF

R (MANx)

20 The United States of America, by and through its counsel of  
21 record, alleges as follows:

22 NATURE OF ACTION

23 1. This is a civil action brought pursuant to Title 26  
24 U.S.C. Sections 7401, 7402(a), 7407, and Title 28 U.S.C. Sections  
25 1340 and 1345.

26  
27 2. This action is to enjoin defendant Martha A. Velarde  
28

- a. Acting as a federal income tax return preparer or requesting, assisting in, or directing the preparation or filing of federal tax returns, amended returns, and other related income tax documents and forms for any person (other than herself), or appearing as a representative on behalf of any person or organization (other than herself) whose tax liabilities are under examination by the Internal Revenue Service ("IRS");
- b. Preparing or filing (or assisting in the preparation or filing of) federal income tax returns (including, but not limited to, forms and documents related to federal income tax returns) for any person other than herself;
- c. Preparing or filing (or assisting in the preparation or filing of) any document in connection with any material matter governed by the internal revenue laws of the United States (including, but not limited to, Title 26 of the United States Code) for any person other than herself;
- d. Engaging in conduct subject to penalty under 26 U.S.C. §§ 6694, 6695, 6700, or 6701; and
- e. Engaging in other similar conduct that substantially interferes with the administration or enforcement of the internal revenue laws.

JURISDICTION

3. This Court has jurisdiction over this action pursuant to Title 26 U.S.C. Sections 7402(a) and 7407, and Title 28 U.S.C.

1 Sections 1340 and 1345.

2 4. This action is brought at the direction of the Attorney  
3 General of the United States and at the request and with the  
4 authorization of the Chief Counsel of the Internal Revenue  
5 Service, a delegate of the Secretary of the Treasury, pursuant to  
6 26 U.S.C. § 7401.

7 5. Venue for the complaint is within the Central District  
8 of California under 28 U.S.C. §§ 1391(b) because Velarde resided  
9 in this district when she prepared and/or filed the federal  
10 income tax returns that gave rise to this action and because a  
11 substantial part of the actions giving rise to this suit took  
12 place in this district.

13 DEFENDANT

14 6. Defendant resides in Los Angeles, California.

15 7. Defendant is a federal income tax return preparer and  
16 has been working in this capacity since at least 1998.

17 8. Defendant conducts her tax preparation business as "MAV  
18 Service" located in Los Angeles, California.

19 DEFENDANT'S ACTIVITIES

20 9. Defendant operates her tax preparation business from  
21 her residence as a sole proprietorship.

22 10. Defendant currently offers tax return preparation  
23 services to individuals through her dba "MAV Services." Defen-  
24 dant currently is preparing income tax returns as a paid pre-  
25 parer.

1 11. Defendant charges fees ranging from \$25 to \$60 for the  
2 preparation of a Form 1040 federal tax return.

3 12. Since at least taxable year 2006, defendant prepared  
4 federal income tax returns containing false information to  
5 improperly reduce her customers' reported tax liabilities or to  
6 claim the Earned Income Credit (EIC), resulting in a refund to  
7 which her customers were not entitled.

8 13. Although required by law to do so, defendant failed, in  
9 most cases, to conduct a due diligence check to ascertain whether  
10 her customers qualified for the EIC and, if so, in what amount.

11 14. Defendant has continually or repeatedly engaged in  
12 conduct subject to penalty under 26 U.S.C. Section 6694 in that  
13 she has, among other things, willfully or recklessly understated  
14 the tax due (and, in nearly every case, overstated the refund  
15 due) on customers' tax returns.

16 15. Defendant has continually or repeatedly engaged in  
17 conduct subject to penalty under 26 U.S.C. Section 6695(g) in  
18 that she has failed to exercise due diligence in determining a  
19 taxpayer's eligibility for the EIC, which includes a duty to make  
20 reasonable inquiries if information provided by the taxpayer  
21 appears incorrect, incomplete or inconsistent, as well as a duty  
22 to document her customer files as to these inquiries.

23 16. Further, defendant has continually or repeatedly  
24 engaged in fraudulent and deceptive conduct which has  
25 substantially interfered with the proper administration of the  
26 internal revenue laws in that defendant has, among other things,

1 improperly and purposefully reduced and understated customers'  
2 tax liabilities by manipulating filing status, adding dependants  
3 and manipulating or creating Schedule C expenses as a means of  
4 creating the appropriate amount of income on a return to generate  
5 the maximum EIC resulting, in most cases, in an undeserved  
6 refund.

7 18. In 2007, the IRS conducted a due diligence audit with  
8 respect to tax returns prepared by the defendant during the 2006  
9 filing season (2005 tax returns), including returns that claimed  
10 the EIC. Out of 100 income tax returns sampled, 94 returns were  
11 in violation of 26 U.S.C. Section 6695(g) based on defendant's  
12 failure to determine taxpayers' eligibility for the EIC.

13 19. As a result of the defendant's violation of Section  
14 6695(g), as described in paragraph 18, the defendant was assessed  
15 penalties in the amount of \$9,400 (\$100 per return), pursuant to  
16 26 U.S.C. Section 6695(g).

17 20. Subsequent to the assessment described in paragraph 19  
18 above, to determine whether the defendant was complying with the  
19 requirements under Section 6695(g), the IRS issued an adminis-  
20 trative summons to the defendant to sample tax returns which she  
21 prepared for the 2010 (2009 tax returns) filing season. The IRS  
22 determined that the defendant was again in violation of 26 U.S.C.  
23 Section 6695(g). Further, the sampled returns contained other  
24 inconsistencies such as reporting Schedule C business which  
25 claimed no business expenses and which were supported by false or  
26 incomplete Form 1099s reporting income amounts solely to optimize  
27  
28

1 the amount of the EIC, resulting in undeserved refunds.

2 21. Defendant is aware that her conduct is improper and  
3 illegal; however, it is believed that defendant has continued to  
4 prepare improper tax returns and will continue to do so. Civil  
5 penalties have not been sufficient to deter the defendant from  
6 her improper and illegal conduct.

7 INJURY TO THE UNITED STATES

8 22. The defendant continues to prepare a high percentage of  
9 EIC and refund tax returns. Moreover, approximately 358 of the  
10 returns filed during the 2010 filing season (2009 tax returns)  
11 claimed EIC and contained a Schedule C.

12 23. During the past four filing seasons, the defendant  
13 prepared the following returns:

14

Process- ing Year	Number of Returns	Number of Refund Returns	Number of EIC Returns	% of Refund Returns	% of EIC Returns
2007	2,873	2,599	876	90%	30%
2008	2,654	2,469	902	93%	33%
2009	2,597	2,422	860	93%	33%
2010	2,317	2,169	852	93%	36%

15  
16  
17  
18  
19

20  
21 24. Time-intensive audits by IRS revenue agents, including  
22 interviews with the taxpayer-customers, are usually necessary to  
23 ferret out the bogus claims prepared by the defendant.

24 25. In addition to the one hundred (100) EIC returns  
25 referred to in paragraph 18 above, as of September 22, 2010, the  
26 IRS has examined fifty-nine (59) returns prepared by defendant  
27 which resulted in a determination of income deficiencies of over

1 \$248,642, averaging \$4,214 per return, resulting from the  
2 defendant's conduct.

3 26. Over thirty percent (30%) of all of the returns  
4 prepared by the defendant make claims for the EIC. Adjustments  
5 were made to eighty-five percent (85%) of the files audited by  
6 the IRS and the average amount of the assessment against those  
7 taxpayers (defendant's customers) at the conclusion of the audit  
8 was \$4,214.

9 27. For the taxable year 2010 alone, defendant prepared  
10 over 2000 tax returns.

11 28. The government has identified more than 8,000 returns  
12 prepared by the defendant for the 2007-2010 tax filing seasons  
13 (i.e., returns for years 2006-2009 tax years). Based on an  
14 analysis by the IRS, refunds claimed on these returns averaged  
15 over ninety percent (90%).

16 29. For the tax returns prepared by the defendant during  
17 the 2007-2010 tax filing seasons, based on the total EIC returns  
18 resulting from the defendant's conduct, the IRS estimates the  
19 aggregate potential tax loss at approximately \$12.5 million.

20 INJURY TO THE DEFENDANT'S CUSTOMERS

21 30. As a result of the defendant's improper actions, many  
22 of her customers have been required to file amended returns or  
23 undergo audits by the IRS. They have incurred severe, and in  
24 most cases unanticipated, financial burdens due to their  
25 liability for additional tax beyond the amount reported on their  
26 original returns, plus statutory interest.

1 31. As a result of the defendant's improper actions, many  
2 of her customers will be required to file amended returns or  
3 undergo audits by the IRS. They will incur severe financial, and  
4 in most cases unanticipated, financial burdens due to their  
5 liability for additional tax beyond the amount reported on their  
6 original returns, plus statutory interest (and perhaps civil  
7 penalties).

8 COUNT I

9 (Engaging in Conduct Prohibited by Sections 6694 and 6695)

10 32. Plaintiff realleges and incorporates by reference  
11 paragraphs 1 through 31 of the Complaint.

12 33. The defendant, by reason of her preparation, or  
13 assistance in the preparation, of federal income tax returns for  
14 which she was compensated, is an income tax return preparer  
15 within the meaning of 26 U.S.C. Section 7701(a)(36).

16 34. The defendant has continually or repeatedly engaged in  
17 conduct subject to penalty under 26 U.S.C. Section 6694(b) by  
18 either (a) recklessly or intentionally disregarding rules and  
19 regulations in preparing the return of another person, resulting  
20 in an understatement of federal tax liability for that person; or  
21 (b) willfully or recklessly understating the federal tax  
22 liability of another person in preparing the return of that  
23 person; or both.

24 35. The defendant has continually or repeatedly engaged in  
25 conduct subject to penalty under 26 U.S.C. Section 6695(g) in  
26 that she has failed to comply with due diligence requirements  
27  
28



1 imposed by law with respect to determining eligibility for, or  
2 the amount of, the EIC allowable by law.

3 36. Unless enjoined by the Court, the defendant will  
4 continue to engage in the above-described conduct.

5 37. The defendant must be enjoined from further acting as  
6 an income tax return preparer because an injunction prohibiting  
7 her from engaging in conduct subject to penalty under Sections  
8 6694 and 6695 of Title 26, United States Code (the "Code"), would  
9 not be sufficient to prevent her further interference with the  
10 proper administration of the tax laws.

11 COUNT II

12 (Unlawful Interference with the Internal Revenue Laws)

13 38. Plaintiff realleges and incorporates by reference  
14 paragraphs 1 through 37 of the Complaint.

15 39. The defendant's fraudulent and deceptive conduct as set  
16 forth above has the effect of substantially interfering with the  
17 proper administration of the internal revenue laws by causing the  
18 filing of improper and illegal tax returns or claims for refunds,  
19 as well as the filing of tax returns containing improper and  
20 illegal claims for tax credits, all of which contributes to  
21 undermining the respect for, and deterring voluntary compliance  
22 with, the federal tax laws.

23 40. Unless enjoined by this Court, the defendant will  
24 continue to engage in this conduct.

1                   APPROPRIATENESS OF INJUNCTIVE RELIEF

2           41. Injunctive relief is appropriate under Sections 7407  
3 and 7402 of the Code for the following reasons:

4           a. Proscribed Conduct. The defendant, in the course  
5 of preparing income tax returns on behalf of her customers,  
6 has continually or repeatedly engaged in conduct subject to  
7 penalty under Sections 6694 and 6695 of the Code and which  
8 otherwise interferes with the proper administration of the  
9 Internal Revenue laws.

10           b. Likelihood of Recurrence. If the defendant is not  
11 enjoined from preparing federal income tax returns, it is  
12 likely that she will continue to do so, since she has  
13 engaged in a pattern and practice of abuse extending over a  
14 number of years.

15           c. Irreparable Injury. The defendant, by her  
16 continual or repeated violations of the internal revenue  
17 laws, has caused a substantial revenue loss to the United  
18 States Treasury as well as a severe drain of government  
19 administrative resources in identifying and examining the  
20 returns the defendant prepared and in attempting to collect  
21 the monies owed. The IRS lacks sufficient resources to  
22 examine all of the returns the defendant has prepared to  
23 date and is continuing to prepare. In addition, the  
24 resulting and potential litigation relating to the tax  
25 returns prepared by the defendant will place a heavy burden  
26 on the judicial system.

1 d. Public interest. Members of the public whom the  
2 defendant aided, advised, or assisted have been harmed  
3 because such persons paid the defendant for her services in  
4 preparing tax returns, and if their returns are examined by  
5 the IRS, they will likely be assessed with deficiencies in  
6 tax, be required to pay statutory interest on the tax  
7 deficiencies resulting from the defendant's improper  
8 preparation, and may also be subject to civil penalties  
9 resulting from the deficiencies. Moreover, the defendant's  
10 behavior encourages a reckless disregard for the internal  
11 revenue laws and erodes public confidence in the fairness of  
12 the federal income tax system, thus causing irreparable  
13 injury to the government and the nation as a whole.

14 RELIEF REQUESTED

15 WHEREFORE, plaintiff, the United States of America, prays  
16 for the following:

17 1. That the Court find that the defendant Martha A. Velarde  
18 has continually or repeatedly engaged in conduct subject to  
19 penalty under Sections 6694 and 6695; that an injunction  
20 prohibiting such conduct would not be sufficient to prevent the  
21 defendant's interference with the proper administration of Title  
22 26; and that the defendant therefore should be permanently  
23 enjoined from acting as an income tax return preparer pursuant to  
24 Sections 7407 and 7402 of the Internal Revenue Code.

25 2. That the Court find that the defendant has continually  
26 or repeatedly engaged in fraudulent or deceptive conduct that  
27

1 substantially interferes with the proper administration and  
2 enforcement of the internal revenue laws by the IRS; that an  
3 injunction prohibiting such conduct would not be sufficient to  
4 prevent the defendant's interference with the proper  
5 administration of Title 26; and that the defendant therefore  
6 should be permanently enjoined from acting as income tax return  
7 preparer pursuant to Sections 7407 and 7402 of the Internal  
8 Revenue Code.

9 3. That the Court enter a Final Judgment of Permanent  
10 Injunction enjoining the defendant, and all other persons in  
11 active concert or participation with her, directly or indirectly,  
12 by use of any means or instrumentality, from:

13 a. Acting as income tax return preparers within the  
14 meaning of Section 7701(a)(36) of the Code;

15 b. Taking any action in furtherance of aiding,  
16 assisting, advising, preparing or filing for compensation  
17 tax returns of third-party taxpayers;

18 c. Further engaging in conduct subject to penalty  
19 under Sections 6694 and 6695 of the Code; or

20 d. Substantially interfering with and/or impeding the  
21 proper administration of the internal revenue laws.

22 4. That this Court further order and decree, as part of its  
23 permanent injunctive relief, that the defendant notify, in  
24 writing, all persons whose tax returns she has prepared from  
25 January 1, 2007 to the date of the Court's order, of the findings  
26 and relief ordered by the Court, including in such notice to each  
27

1 person a copy of the Complaint and of the Court's Final Order of  
2 Permanent Injunction; and that the defendant file with the Court  
3 and provide to plaintiff's attorneys a list of the names, Social  
4 Security numbers, addresses, e-mail addresses, and telephone  
5 numbers of all persons so notified within thirty (30) days of the  
6 date the Order is entered.

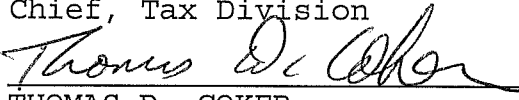
7 5. That this Court retain jurisdiction of this action for  
8 the purpose of implementing and enforcing the final judgment and  
9 all additional decrees and orders necessary and appropriate to  
10 the public interest.

11 6. That this Court award plaintiff all its costs in  
12 prosecution of this action.

13 Respectfully submitted,

14 ANDRÉ BIROTTE JR.  
15 United States Attorney  
16 SANDRA B. BROWN  
Assistant United States Attorney  
Chief, Tax Division

17 Dated: February 15, 2011

  
18 THOMAS D. COKER  
Assistant United States Attorney

#18

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET

<b>I (a) PLAINTIFFS</b> (Check box if you are representing yourself <input type="checkbox"/> )  UNITED STATES OF AMERICA	<b>DEFENDANTS</b>  MARTHA A. VELARDE, DBA MAV SERVICE
<b>(b) County of Residence of First Listed Plaintiff</b> (Except in U.S. Plaintiff Cases):	<b>County of Residence of First Listed Defendant</b> (In U.S. Plaintiff Cases Only): LOS ANGELES
<b>(c) Attorneys</b> (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) United States Attorney Office THOMAS COKER 300 N. Los Angeles Street Room 7211, LA CA 90012 Tel: (213) 894-2410 Fax (213) 894-0115	<b>Attorneys</b> (If Known)

<b>II. BASIS OF JURISDICTION</b> (Place an X in one box only.)  <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)  <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only</b> (Place an X in one box for plaintiff and one for defendant.)  <table border="0"> <tr> <td>Citizen of This State</td> <td>PTF DEF <input type="checkbox"/> 1 <input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td>PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2 <input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td><input type="checkbox"/> 5 <input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3 <input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6 <input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF DEF <input type="checkbox"/> 1 <input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2 <input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5 <input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6
Citizen of This State	PTF DEF <input type="checkbox"/> 1 <input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	PTF DEF <input type="checkbox"/> 4 <input type="checkbox"/> 4										
Citizen of Another State	<input type="checkbox"/> 2 <input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5 <input type="checkbox"/> 5										
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6										

**IV. ORIGIN** (Place an X in one box only.)

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

**V. REQUESTED IN COMPLAINT: JURY DEMAND:** ☐ Yes ☒ No (Check 'Yes' only if demanded in complaint.)

**CLASS ACTION under F.R.C.P. 23:** ☐ Yes ☒ No **MONEY DEMANDED IN COMPLAINT: \$** \_\_\_\_\_

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)  
PURSUANT TO TITLE 26 U.S.C. SECTIONS 7401, 7402(A), 7407 AND TITLE 28 U.S.C. SECTIONS 1340 AND 1345

**VII. NATURE OF SUIT** (Place an X in one box only.)

<b>OTHER STATUTES</b> <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities /Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	<b>CONTRACT</b> <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise <b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>TORTS</b> <b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<b>TORTS</b> <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <b>BANKRUPTCY</b> <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <b>FORFEITURE / PENALTY</b> <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety /Health <input type="checkbox"/> 690 Other	<b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input checked="" type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
--	--	--	---	--	--

**VIII(a). IDENTICAL CASES:** Has this action been previously filed and dismissed, remanded or closed? ☒ No ☐ Yes

If yes, list case number(s):

**FOR OFFICE USE ONLY:** Case Number: \_\_\_\_\_

#19  
UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**VIII(b). RELATED CASES:** Have any cases been previously filed that are related to the present case? ☒ No ☐ Yes

If yes, list case number(s): \_\_\_\_\_

**Civil cases are deemed related if a previously filed case and the present case:**

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or  
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or  
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**IX. VENUE:** List the California County, or State if other than California, in which **EACH** named plaintiff resides (Use an additional sheet if necessary)

☒ Check here if the U.S. government, its agencies or employees is a named plaintiff.

LOS ANGELES COUNTY

List the California County, or State if other than California, in which **EACH** named defendant resides. (Use an additional sheet if necessary).

☒ Check here if the U.S. government, its agencies or employees is a named defendant.

LOS ANGELES COUNTY

List the California County, or State if other than California, in which **EACH** claim arose. (Use an additional sheet if necessary)

Note: In land condemnation cases, use the location of the tract of land involved.

LOS ANGELES COUNTY

**X. SIGNATURE OF ATTORNEY (OR PRO PER):** \_\_\_\_\_

Date 2/16/11

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))



United States Attorney Office  
THOMAS COKER, AUSA  
300 N. Los Angeles Street Room 7211  
Los Angeles, CA 90012  
Tel: (213) 894-2410 Fax (213) 894-0115

COPY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

PLAINTIFF(S)

v.

MARTHA A. VELARDE, DBA MAV SERVICE

DEFENDANT(S).

CASE NUMBER

CV11 01458 R

(MANX)

SUMMONS

TO: DEFENDANT(S): THE ABOVE NAMED DEFENDANT(S)

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ \_\_\_\_\_ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, THOMAS COKER, whose address is 300 N. LOS ANGELES STREET RM 7211 LOS ANGELES, CA 90012. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

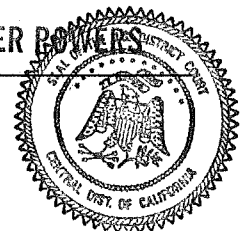
Dated: 02/17/11

By: \_\_\_\_\_

CHRISTOPHER BOWERS

Deputy Clerk

(Seal of the Court)



1181

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].



**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY**

This case has been assigned to District Judge Manuel Real and the assigned discovery Magistrate Judge is Margaret A. Nagle.

The case number on all documents filed with the Court should read as follows:

**CV11- 1458 R (MANx)**

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

Unless otherwise ordered, the United States District Judge assigned to this case will hear and determine all discovery related motions.

=====

**NOTICE TO COUNSEL**

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

Subsequent documents must be filed at the following location:

☒ **Western Division**  
312 N. Spring St., Rm. G-8  
Los Angeles, CA 90012

☐ **Southern Division**  
411 West Fourth St., Rm. 1-053  
Santa Ana, CA 92701-4516

☐ **Eastern Division**  
3470 Twelfth St., Rm. 134  
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.